

REMARKS

Presently, claims 194-212 are pending in the application. A Request for Continued Examination ("RCE") under 37 C.F.R. §1.114 is being filed herewith. The specification has been amended to more clearly explain subject matter included in the original disclosure. The subject matter incorporated into the present specification may be found at page 47, line 19 – page 49, line 10 of co-pending application 10/006,874 (now paragraphs [221] – [225] of U.S. Patent Publication No. 2002/0144262 A1), which is incorporated by reference into the present application (see page 5, lines 7-8 of the specification). Additionally, the specification has been amended to correct informalities noted by Applicants, and to make the drawings consistent with the specification as amended. FIG. 14 has been added such that the drawings are consistent with the specification, as amended. Support for new FIG. 14 may be found, for example, in FIG. 17 of co-pending application 10/006,874, which is incorporated by reference into the present application. Claims 154-171 have been canceled. New claims 194-212 have been added to more clearly define and particularly point out the present invention. Support for new claims 194-212 may be found, for example, at page 37, line 19 – page 40, line 18 of the specification, as well as the specification text incorporated with the present amendment and new FIG. 14. Accordingly, no new matter has been added to the application by any of the foregoing amendments.

Specification

Applicants have amended the specification to more clearly explain subject matter included in the original disclosure. Specifically, at page 5, lines 7-8 of the specification, the present application incorporates by reference, and in its entirety, co-pending and commonly owned application 10/006,874, filed November 14, 2001, and entitled "Alternative Advertising in Prerecorded Media" (now U.S. Patent Publication No. 2002/0144262 A1) ("the co-pending reference"). Applicants respectfully submit that the co-pending reference is properly incorporated by reference into the present application under 37 C.F.R. 1.57 and MPEP 608.01(p).

Although not required at this stage of prosecution, for clarity and the Examiner's convenience, Applicants have elected to incorporate subject matter from the co-pending application that is particularly relevant to the present invention as claimed. The subject matter incorporated into the present specification may be found at page 47, line 19 – page 49, line 10 of the co-pending reference (see also paragraphs [221] – [225] of the corresponding Patent Publication). Applicants note that the incorporated subject matter is identical to the corresponding text in the co-pending application, with the exception of reference to “FIG. 17”, which has been incorporated as --FIG. 14-- in the present application, and the reference numerals, which have been changed to reflect FIG 14 (i.e., 1400 instead of 1700). Accordingly, no new matter has been added to the present application, since all of the incorporated text was initially disclosed. Since the co-pending application has since been published as U.S. Patent Publication No. 2002/0144262 A1, a Declaration is not being submitted herewith.

Additionally, the specification has been amended to correct other informalities noted by Applicants, and to make the drawings and references thereto consistent with the specification as amended. Entry of the specification amendments submitted herewith is respectfully requested.

Drawings

Applicants have incorporated new FIG. 14 into the present application, on a New Sheet labeled “16/16”. New FIG. 14 is identical to FIG. 17 in co-pending application 10/006,874 (now U.S. Patent Publication No. 2002/0144262 A1). As discussed above, the co-pending reference is incorporated in its entirety into the present application. New FIG. 14 has been added such that the drawings of the present application are consistent with the specification, as amended. The specification of the present application has been amended to make proper reference to new FIG. 14.

Additionally, because of the addition of New Sheet “16/16”, the originally labeled sheets “1/15” – “15/15” showing FIGs. 1-13 have been re-labeled as Replacement Sheets --1/16-- to --15/16--, respectively. Entry of the amendments to the drawings submitted herewith is respectfully requested.

Claim Rejection – § 103(a)

The Examiner has rejected claims 154-171 under 35 U.S.C. § 103(a) as being unpatentable over U.S. Patent No. 6,463,585 to Hendricks *et al.* (“Hendricks”) in view of U.S. Patent No. 5,774,170 to Hite *et al.* (“Hite”), and further in view of U.S. Patent Publication No. 2003/0088872 to Maissel *et al.* (“Maissel”). Claims 154-171 have been canceled. Accordingly, the Examiner’s rejection with respect to these claims is moot.

Hendricks teaches a system for providing television programming and targeted advertisements to consumer’s homes. In Hendricks, information is sent from a program controller to local storage and/or real-time display in a consumer’s terminal. The stored information may include control information, programming and/or advertisements. Additionally, Hendricks teaches that information related to users’ preferences and/viewing actions or habits may be observed, retrieved and analyzed, such that a particular consumer terminal may be identified to a desired target category. The target category, based for example on demographic information, is utilized to determine which advertisements to target at the consumer. Hendricks teaches that there are several different methods of conveying the desired advertisements to the audience. In one embodiment, Hendricks employs “feeder channels” to deliver the targeted advertisements. In such a system, when designated brakes in regular programming occur, the system switches to (or between) one or more alternate channel(s) that contain different, targeted programming (e.g., advertisements). The particular feeder channel that is displayed to the consumer may depend on the specific target audience. Thus, it may be advantageous to switch back and forth between the various feeder channels to display the most desirable ad. Hendricks further teaches that the switching plan may also be stored locally at the consumer’s terminal. In another embodiment, the advertisements may be stored locally at the user’s terminal for later display. Thus, the targeted advertisements are sent to the user’s terminal prior to display and stored. When the designated program brake occurs, the locally stored advertisement is retrieved and displayed.

Hite teaches a system for delivering targeted commercials to consumers’ terminals. In Hite, customers, programs and commercials are categorized using known

algorithms or data from an outside source. Each consumer's local terminal is individually addressable, and receives and stores a commercial identification code ("CID") in advance of programming and/or commercial broadcast. The CID designates the consumer as being within one or more categories. Separately, a CID is associated with each commercial to designate a commercial as being within a particular category. When commercials are broadcast, a consumer's local terminal uses the locally stored CID to determine whether to play or ignore a particular commercial. In Hite, the commercials may be combined with programming at a transmission facility, and then sent to the consumer. Alternatively, multiple commercials may be simultaneously broadcast over multiple channels, or transmitted and stored at the local terminals in advance. Hite also discloses the ability to synchronize targeted commercials with program switching.

Maissel teaches an "intelligent agent" to be used in conjunction with an electronic program guide ("EPG"). The agent uses a preference profile to customize the EPG based, for example, on actually viewed programs for the purpose of eventually targeting desired advertisements to the consumer. The preference profile may include rules (based on current program characteristics or programs viewed), such that the agent "learns" the viewer's preferences. The agent may then broadcast programs according to preferences obtained from the viewer profile and store programs and/or advertisements locally at the viewer's terminal. Maissel's system includes the ability to disable one or more control features (e.g. fast-forward), so that commercials (targeted or otherwise) are not skipped by the viewer. In another embodiment, Maissel teaches imposing another event if the viewer does skip an advertisement. Specifically, Maissel teaches displaying a shortened version of a commercial if a commercial is intentionally skipped by the viewer. Maissel is silent with respect to the content and format of the shortened commercial.

Independent claim 194 recites:

A method of delivering targeted advertisements to a subscriber of a stored video system, the method comprising:

- (a) selecting a video from the system;
- (b) determining available advertisement opportunities associated with the selected video;

- (c) selecting one or more targeted advertisements desired to be displayed to the subscriber, wherein the selected targeted advertisements correspond to the available advertisement opportunities;
- (d) delivering the selected video and the targeted advertisements to the subscriber;
- (e) presenting the selected video and the targeted advertisements to the subscriber on a viewing device; and
- (f) presenting an alternative advertisement on the viewing device when the subscriber fast-forwards or skips one or more of the targeted advertisements, wherein the alternative advertisement is presented such that at least a portion of each targeted advertisement that is fast-forwarded or skipped remains visible to the subscriber. (emphasis added)

Neither Hendricks nor Hite teach or suggest a method of delivering targeted advertisements that includes “presenting an alternative advertisement...when the subscriber fast-forwards or skips one or more of the targeted advertisements....” Rather, Hendricks and Hite both teach television delivery systems that profile and/or group consumers and then deliver programming and targeted advertisements that correspond to the consumers’ profile or group. Although Hendricks and Hite each teach different ways of delivering the targeted advertisements, neither Hendricks nor Hite discuss a consumer skipping, fast-forwarding or otherwise manipulating one or more of the targeted advertisements. Thus, neither of these references teach nor suggest what occurs when the consumer does attempt to skip or fast-forward through an original, targeted advertisement. Since Hendricks and Hite never discuss “presenting an alternative advertisement,” neither of these references certainly do not teach or suggest presenting the alternative advertisement “such that at least a portion of each targeted advertisement that is fast-forwarded or skipped remains visible to the subscriber,” as recited in independent claim 194. Accordingly, neither Hendricks nor Hite teach or suggest all of the elements of independent claim 194.

Maissel also does not disclose the invention of claim 194, since Maissel does not teach or suggest “presenting an alternative advertisement...such that at least a portion of each targeted advertisement that is fast-forwarded or skipped remains visible to the

subscriber.” Although Maissel teaches a television delivery system that (1) prevents the user from fast-forwarding or skipping an advertisement; or (2) imposes an alternate event if the user does fast-forward through an advertisement, Maissel does not teach or suggest a delivery method where “at least a portion of each targeted advertisement that is fast-forwarded or skipped remains visible to the subscriber.” Referring to FIG. 14 of the present application, when an alternative advertisement is presented to the subscriber, some portion of the original ad (i.e., the advertisement that is being skipped) nonetheless remains visible to the user, such that the subscriber sees both advertisements (the targeted and the alternative) at the same time. Such a system has numerous advantages, including increased advertisement exposure and providing the subscriber with a realistic “look and feel” of actually fast-forwarding or skipping an advertisement. In contrast, Maissel merely discloses displaying a “meaningful shortened version of a full commercial” during fast-forward or fast backward through a program (see paragraph [394] of Maissel). Thus, Maissel does not teach or suggest that some portion of each targeted advertisement that is being skipped is still visible to the subscriber during presentation of the alternative advertisement. Moreover, Maissel does not even teach displaying multiple items (e.g., a program and an advertisement or two advertisements) at the same time, let alone teach the display of the targeted advertisement along with the alternative advertisement. Accordingly, Maissel does not teach all of the elements recited in independent claim 194.

Not only do Hendricks, Hite and Maissel not individually teach the present invention, but, even if these references are taken in combination as suggested by the Examiner, such a combination fails to teach or suggest all of the features of claim 194. More specifically, since none of the applied references discloses “presenting an alternative advertisement...such that at least a portion of each targeted advertisement that is fast-forwarded or skipped remains visible to the subscriber,” the combination of Hendricks, Hite and/or Maissel is also lacking this feature. When making a rejection under 35 U.S.C. § 103, the Examiner has the burden of establishing a *prima facie* case of obviousness. The Examiner can satisfy this burden only by showing an objective teaching in the prior art, or that knowledge generally available to one of ordinary skill in the art, would lead that individual to combine the relevant teachings of the references in the manner suggested by the Examiner. *In re Fine*, 5 U.S.P.Q.2d 1596, 1598 (Fed. Cir.

1998). The mere fact that the prior art could be modified in the manner proposed by the Examiner, does not make the modification obvious unless the prior art suggests the desirability of the modification. *Ex Parte Dussaud*, 7 U.S.P.Q.2d 1818, 1820 (Bd.Pat.App & Interf. 1988). Applicants respectfully submit that the Examiner has not met this burden, since the Examiner has not pointed to an objective teaching or combination of references which disclose Applicants' claimed invention. Accordingly, independent claim 194 is believed to be allowable of the combination of Hendricks, Hite and Maissel.

Independent claim 203 recites a method similar to that of claim 194. Specifically, claim 203 includes the step:

(e) presenting the selected video and the targeted advertisements to the subscriber on a viewing device, wherein, when the subscriber fast-forwards or skips one or more of the targeted advertisements, each targeted advertisement that is fast-forwarded or skipped is presented in a compressed time period.

As discussed above, neither Hendricks nor Hite teach or suggest a consumer skipping or fast-forwarding targeted advertisements. Therefore, Hendricks and Hite do not teach or suggest what occurs when the consumer does attempt to skip or fast-forward through an original, targeted advertisement, and certainly do not disclose presenting each targeted advertisement that is fast-forwarded or skipped in a compressed time period, as recited in independent claim 203. Accordingly, neither Hendricks nor Hite teach or suggest all of the elements of independent claim 203.

Similarly, Maissel does not teach or suggest presenting targeted advertisements such that "each targeted advertisement that is fast-forwarded or skipped is presented in a compressed time period." That is, as discussed above with respect to independent claim 194, Maissel only teaches displaying a "meaningful shortened version of a full commercial" during fast-forward or fast-backward through a program. Maissel does not teach or suggest that the targeted advertisement(s) that are being skipped are presented to the subscriber in a compressed time period. Stated differently, Maissel teaches that when a commercial is skipped, the consumer sees another commercial that is shorter in total duration, such that that commercial is still able to deliver to the consumer important

information during the short time available for that commercial to play. Furthermore, Maissel does not teach or suggest that the shortened commercial is even related in any manner to the commercial that is being skipped. In contrast, the method of claim 203 includes presenting the original targeted advertisement – not a different advertisement – all within a compressed time period. In the invention of claim 203, the original targeted advertisement is presented unchanged in content, length and format, but is presented at a higher rate as if it were being fast-forwarded or skipped. Accordingly, Maissel does not teach all of the elements recited in independent claim 203.

Since Hendricks, Hite and Maissel do not individually teach or suggest the invention of claim 203, Applicants respectfully submit that the combination of one or more of these references fails to teach or suggest the step of presenting targeted advertisements that are fast-forwarded or skipped in a compressed time period. Accordingly, independent claim 203 is believed to be allowable of the combination of Hendricks, Hite and Maissel.

Dependent claims 195-202 and 204-212 are allowable at least by their dependency on independent claim 194 and 203, respectively. Reconsideration and withdrawal of the Examiner's section 103(a) rejection are respectfully requested.

Conclusion

In view of the foregoing amendments and remarks, Applicants respectfully submit that the Examiner's rejections have been overcome, and that the application, including claims 194-212, is in condition for allowance. Reconsideration and withdrawal of the Examiner's rejection and an early Notice of Allowance are respectfully requested.

Respectfully submitted,

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Amendments to the Drawings:

The attached Replacement Sheets of drawings showing FIGs. 1-13 replace the original sheets labeled "1/15" to "15/15" showing these figures. Specifically, each of sheets including FIGs. 1-13 have been re-labeled --1/16-- to --15/16--, respectively.

New Sheet "16/16" has been added to include new FIG. 14. New FIG. 14 is identical to FIG. 17 in co-pending application 10/006,874 (now U.S. Patent Publication No. 2002/0144262 A1), which is incorporated by reference in its entirety into the present application at page 5, lines 7-8 of the specification.

Attachments: Replacement Sheets "1/16" – "15/16"
New Sheet "16/16"